Congressman Alan Lowenthal Introduces Bill to Address Nation’s Freight Needs

“National Multimodal and Sustainable Freight Infrastructure Act” would provide roughly $8 billion annually, dedicated to goods movement infrastructure

On June 22, 2017 Congressman Alan Lowenthal (D-CA) introduced the “National Multimodal and Sustainable Freight Infrastructure Act.” This bipartisan legislation would create a sustained, dedicated revenue source to strengthen America’s economic competitiveness by investing in the rebuilding of crumbling U.S. freight infrastructure.

According to Congressman Lowenthal’s office, H.R. 3001 would raise around $8 billion a year through implementation of a national one percent waybill fee on the cost of transporting goods. Funding would be collected in a Freight Transportation Infrastructure Trust Fund, and annual collections would be divided evenly between two programs: a formula program that provides funds to each state, and a competitive grant program available to local, regional and state governments. According to the Congressman, funding would be dedicated to freight-related infrastructure projects throughout the nation, with a focus on multimodal projects and projects that rebuild aging infrastructure while relieving bottlenecks in the freight transportation system.
Throughout the campaign, President Trump made infrastructure spending a pillar of his “Make America Great Again” plan. Following the recent release of his fiscal year 2018 (FY18) budget request and an infographic titled “President Trump's Plan to Rebuild America’s Infrastructure,” the President's infrastructure plan is beginning to come into focus.

The President released his FY18 budget request, titled “A New Foundation for American Greatness” on May 23. The budget request includes a first look at the potential infrastructure plan and calls for $200 billion in Federal spending over 10 years to leverage $1 trillion in total infrastructure investments. The funds are for “a range of sectors,” including surface transportation, waterways, and ports as well as waste water, broadband and Federal facilities. The proposal includes a staggered release of the $200 billion in Federal funds, but does not explain how the $1 trillion number will be reached. Instead, the plan suggests it “will be met with a combination of new federal funding, incentivized non-federal funding, and expedited projects.”
Also released with the FY18 budget request was a document titled “Major Savings and Reforms,” which highlights from where the savings and reforms proposed in the FY18 budget will come. The document specifically proposes the elimination of the Transportation Investments Generating Economic Recovery (TIGER) grant program. The Administration justifies this elimination by erroneously stating that programs funded by TIGER often do not rise to the level of national or regional significance and that it is similar to the Nationally Significant Freight and Highway Projects (FASTLANE) grant program, authorized by the Fixing America’s Surface Transportation (FAST) Act in 2015.

When questioned about the elimination of the TIGER program during a public hearing in May, U.S. Department of Transportation (USDOT) Secretary Elaine Chao informed the Senate Committee on Environment and Public Works that any funding taken out of existing programs would be put towards the full infrastructure plan. CAGTC has argued against the elimination of the TIGER program. Public funding is already inadequate to meet the growing demands and shifting funding from one program to another will not be sufficient. Instead, the Administration should increase federal investment above current levels.

A set of guiding principles for the infrastructure initiative was also released as part of the FY18 budget request. The principles include: 1) make targeted federal investments; 2) encourage self-help; 3) align infrastructure investment with entities best suited to provide sustained and efficient investment; and 4) leverage the private sector. The document also lists various proposals that will be pursued as part of the infrastructure initiative, including the expansion of the Transportation Infrastructure Finance and Innovation Act (TIFIA) program, a lift in the cap and expansion in eligibility of Private Activity Bonds, and liberalized tolling policy, among others.

Following the release of his FY18 budget request, the President released an infographic titled “President Trump’s Plan to Rebuild America’s Infrastructure,” on June 8, as part of his own “Infrastructure Week.” The fact sheet outlines how the Administration hopes to allocate the $200 billion in federal funds as part of its infrastructure plan. The infographic calls for $25 billion for rural infrastructure, $15 billion for transformative projects, and $100 billion for local privatization of infrastructure needs. In addition, the plan calls for a dramatic reduction in the permitting process, cutting the average time to 2 years from 10 years. The infographic also calls for a workforce initiative to create 1 million apprentices in two years, and to meet the skills-based labor gap. The President gave speeches in Ohio and at the U.S. Department of Transportation to garner support for his plan.
CAGTC Hosts 2017 Annual Meeting During National Infrastructure Week

On May 16 and 17, CAGTC members and freight stakeholders from across the country gathered in Washington, D.C. for the 2017 CAGTC Annual Meeting and to participate in national Infrastructure Week. Attendees heard from recognized issue experts and engaged in discussions focusing on the potential $1 trillion infrastructure initiative, the possibilities stemming from public-private partnerships (P3s), and more.

Following up on his campaign promises, President Trump has continued to discuss the possibility of a $1 trillion investment in U.S. infrastructure. While we have since seen more details of the proposal, prior to the Annual Meeting details of the program were still foggy. Various officials in the Administration had only just begun floating the idea of $200 billion in direct federal investment to leverage $1 trillion in total funding for infrastructure projects. Jeff Davis, Senior Fellow and Editor at the Eno Center for Transportation, set the scene at our Annual Meeting by giving attendees an inside look at when the proposal could be seen and what could be included. As Secretary Chao noted in recent public comments, Davis looked to Q3 of 2017 for in-depth details on what the Administration is thinking. He noted that infrastructure will have get in line with other priorities, such as tax reform and health care.

Given the Administration’s interest in leveraging the private sector, Shant Boyajian, Attorney at Law at Nossaman LLP, moderated a panel on unlocking the potential of P3s. Samara Barend, Senior Vice President and North America Strategic Development Director for P3s at AECOM, Michal Decker, Managing Director of SIFMA, and Ananth Prasad, National Transportation Practice Leader at HNTB, spoke about the diverse options available for P3 arrangements, beyond toll roads. Samara emphasized the various steps the federal government can take to open the doors to P3s and ensure each project brings the best funding deal to the table. Michael spoke about incentives for private investments, including the relevance of tax exempt bonds. Finally, Ananth encouraged true P3s that go beyond the construction phase to also include operations and maintenance.

CAGTC Founding Chairman and President of Mort Downey Consulting LLC, Mort Downey, led a panel on the regional impacts of proposed national policies, where panelists examined some of the proposed national policies in the spotlight recently, explaining what opportunities or threats these policies pose to particular regions, should they be enacted. Kerry Cartwright, Director of Goods Movement at the Port of Los Angeles, spoke about the differences in project approval processes at the national level versus in California – and what impact that has on moving infrastructure projects forward in his region.

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He also examined the proposed “border adjustment tax,” noting that in the near term, there is a very real threat to jobs that could result from the BAT. Michael Collins, President and CEO of PortKC, spoke about his region’s significance to tri-lateral trade. The North American Free Trade Agreement (NAFTA) sustains a great deal of economic activity and a large number of jobs in the Kansas City region. The Chicago region is a linchpin for the North American rail network, and Joseph Szabo, Executive Director of the Chicago Metropolitan Agency for Planning, spoke about the national significance of Chicago’s transportation network. The Chicago Region Environmental and Transportation Efficiency (CREATE) Program, a 70-project, $4.4 billion plan to improve rail and reduce highway delay, is important not just to Chicago, but to the national goods movement network. Program developers seek funding through programs such as TIGER, and the availability of TIGER funding is important to completing complex, multimodal projects such as CREATE.

Public investment in the U.S. transportation system is chronically inadequate to meet growing demands and federal leadership is needed to fill the needs gap. While the needs are well-documented and recognized, few Members of Congress have proposed revenue-raising solutions. Meeting attendees had the opportunity to hear from the offices providing leadership on this critical issue. Staffers from the offices of Congressman John Delaney (D-MD), Senator John Hoeven (R-ND), Congressman Alan Lowenthal (D-CA), and Congressman Peter DeFazio (D-OR) gave Annual Meeting attendees a detailed look at proposals to remedy the dearth of funding. Moderated by Chuck Baker, President of the National Railroad Construction & Maintenance Association, this panel discussed proposals that would generate funding for infrastructure projects across the country through an increase in the federal gas and diesel taxes, repatriation, and more. To learn more about the specifics of these proposals, please see Page 8.

Congressman Alan Lowenthal keynoted the conference lunch at the Capitol Hill Club, where he spoke about the need for investment in our nation’s freight transportation infrastructure and presented some of the highlights of his proposal, Economy in Motion. The Congressman then joined CAGTC attendees to watch CAGTC Executive Director Elaine Nessle moderate a panel of key industry journalists. Reynolds Hutchins of the Journal of Commerce, Kellie Mejdrich of CQ Roll Call, S.A. Miller of the Washington Times, Eugene Mulero of Transport Topics, and Tanya Snyder of Politico spoke about the likeliness of an infrastructure investment proposal and when they predict information will become available. The conversation ranged from a discussion of competing federal priorities on the “to-do” list of the Administration and the 115th Congress, to establishing relationships and new practices with the many new faces in Washington following November elections.
Annual Meeting attendees heard remarks from many Members of Congress, including Congresswoman Barbara Comstock (R-VA), Congresswoman Eleanor Norton Holmes (D-DC), Congressman Sam Graves (R-MO), Congresswoman Judy Chu (D-CA), and Congressman Alan Lowenthal (D-CA). Each Member stressed the importance of investment in our freight system and recognized the growing need for additional funding.

During our Members Only day, CAGTC members and staff were able to sit down with key officials from the U.S. Department of Transportation to discuss CAGTC’s priorities and identify ways in which funding freight infrastructure could advance goals held by the Department of Transportation. CAGTC Members who were not able to attend received a summary of the conversation.

While both a new Congress and Administration are settling into Washington and staking out ways to make a mark on federal programs, it is clear opportunity exists for the transportation community. There is a recognition that existing transportation systems are not meeting the needs of our growing nation, and more must be done. CAGTC’s Annual Meeting highlighted freight infrastructure’s rightful position in this dialogue and we thank our members for traveling to Washington to interact with Congress and the new Administration at this critical juncture.

**New Member Spotlight**

**HNTB: Investing in our nation’s infrastructure: essential to our economic growth and prosperity**

It is critical that our nation restore or upgrade its crumbling infrastructure to help ease congestion and improve the safe and efficient movement of freight across all modes of transportation. We are seeing promising developments at the federal, state and local level, as many states and municipalities commit to major transportation investments. In the November 2016 election alone, voters in 22 states approved ballot measures that will provide $203 billion in funding extensions and new revenue for multimodal state and local transportation projects.

With a combined power of state/local dollars in the near term, America may have a once-in-a lifetime opportunity to reposition its infrastructure for the future and see the benefits of expanded freight transportation capabilities. And, yet, there is one major challenge: spending the money in the right ways.

We first must repair hard-working transportation assets that are seriously deficient or dangerous. More broadly, however, we must make our infrastructure investments very strategically to achieve the gains — in effective movement of goods, jobs, economic growth, global competitiveness and quality of life — that Americans deserve.
Here are a few ideas for ensuring that America -- and the businesses that move its freight -- achieves the greatest benefit from its transportation spending in the coming years:

• Prioritize Projects Transparently — We must preserve taxpayers' trust by removing politics from the equation. One approach is to use data-driven scoring models to standardize and rationalize the decision-making process and determine how well they ease congestion, increase opportunities for easier movement of goods, improve economic development, provide access to jobs, enhance safety and environmental sustainability, and efficiently use land.

• Deliver Projects More Efficiently — Many states now allow the use of the design-build method for delivering large, complex transportation projects. By adopting design-build for more projects, even smaller projects, America can get more transportation improvements for the dollars invested and more effectively move its more than 54 million tons of goods worth nearly $48 billion each day.

• Innovate Before We Construct — Before we widen highways, we should consider more cost-efficient techniques, including the use of ramp metering, which uses traffic lights to adjust the flow of vehicles entering the highway, or breakdown lanes for travel, which use signage to notify drivers when these lanes are open for traffic. These techniques can increase capacity and keep goods moving during times of greatest demand, without building new lanes.

• Advance Mobility — Technology is revolutionizing virtually every aspect of travel, from truck platooning to vehicle-to-infrastructure communications to truck parking. We need to invest in advanced strategies and technologies that provide key links in the freight transportation system and help eliminate bottlenecks and improve safety.

We can expect significant debate as our national, state and local leaders seek agreement on a range of transportation-related policy issues. Hopefully, these debates will lead to more predictable and sustainable funding for our transportation infrastructure that keeps our freight moving, not just for the next 10 years, but for the next 40.

About HNTB
HNTB Corporation is an employee-owned infrastructure solutions firm serving public and private owners and contractors. With more than a century of service, HNTB understands the life cycle of infrastructure and addresses clients' most complex technical, financial and operational challenges. Professionals nationwide deliver a full range of infrastructure-related services, including award-winning planning, design, program management and construction management. For more information, visit: www.hntb.com.
Congress Explores How to Pay for Infrastructure

Bills Seek to Address Infrastructure Funding Through Gas Tax Increases, Other Methods

As we await legislation on the Administration’s $1 trillion infrastructure proposal, Congress has continued to introduce bills aimed at funding future investments. In March four bills were introduced intended to help meet the current need for infrastructure investments and to develop potential solutions for the long term solvency of the highway trust fund (HTF).

On March 9, Congressman Blumenauer (D-OR) introduced the Raise and Index to Sustainably and Efficiently Invest in Transportation (RAISE IT) Act. The bill would increase the federal gas tax by 15 cents over a three year period while also indexing it to inflation to prevent future solvency issues. H.R. 1458 also directs Congress to find a replacement for the gas tax within ten years of the bill’s passage to account for the auto industry’s move away from gas based systems and ensure a sustainable funding source for infrastructure projects for years to come.

Congressman DeFazio (D-OR) introduced the Investing in America: A Penny for Progress Act in March as well. The bill would index the gas tax to the National Highway Construction Cost Index and the Corporate Average Fuel economy standard, resulting in around a penny increase to the federal gas tax each year. H.R. 1664 would cap any raise at 1.5 cents annually and also authorizes the Treasury to issue 30-year bonds each year, until 2030, leveraged against the revenue from the tax. The money raised from these bond sales would provide around $500 billion for funding infrastructure projects and would be deposited in the HTF.

Also seeking to fund infrastructure projects, Congressman Delaney (D-MD) reintroduced two bills in March. The Partnership to Build America Act was first introduced in the 114th Congress and seeks to create an American Infrastructure Fund (AIF) to provide financing to state and local governments for new infrastructure. The AIF would be funded through one-time $50 billion bond sales, up to $750 billion, to U.S. corporations seeking to repatriate a portion of their international earnings. In an effort to align with the Trump Administration’s push for private investments, the bill would require that at least 35 percent of AIF supported projects have at least 10 percent private financing.

Congressman Delaney’s second infrastructure focused bill is titled the Infrastructure 2.0 Act and would also create the AIF. However, H.R. 1670 requires that funds come from a requirement that existing overseas profits made by U.S. multi-national corporations be subject to a one-time mandatory 8.75 percent tax. Beyond funding the AIF, the profits made from this tax would be used to meet the HTF funding gap and also to create a pilot program to establish regional infrastructure accelerators, which Congressman Delaney compared to the West Coast Infrastructure Exchange. Similar to the RAISE IT Act, the Infrastructure 2.0 Act would also require Congress to create a commission to address the long-term solvency of the HTF.
Bay Area Transportation Leaders Hail New State Funding Proposal

Metropolitan Transportation Commission (MTC) Chair Jake Mackenzie and Commission Vice Chair Scott Haggerty today applauded the transportation funding package unveiled by Governor Brown, state Senate President pro Tempore Kevin de León and state Assembly Speaker Anthony Rendon. The package, if approved by the Legislature, would mark the largest transportation investment in state history, directing some $5 billion annually to help restore California’s local streets and roads, state highways and bridges to a state of good repair; improve public transit; reduce congestion in major commute corridors; establish programs for upgrading key freight routes; and promote active transportation with new projects for bicycle and pedestrian travel. These improvements would be financed through a combination of higher taxes on gasoline and diesel fuel as well as an increase in vehicle license fees.


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Ohio-Kentucky-Indiana Regional Council of Governments Wins National Association of Regional Councils Award

The National Association of Regional Councils (NARC) presented its 2017 General Achievement and Leadership Awards at its 51th Annual Conference and Exhibition Gala Dinner on June 6, 2017. Among the winners of the 2017 awards was the Ohio-Kentucky-Indiana Regional Council of Governments, which received the Major Metro Award Distinction.

The Ohio-Kentucky-Indiana Regional Council of Governments (OKI) was awarded for leveraging data innovation and P3s in regional freight transportation planning. OKI works side-by-side with private sector companies in the Central Ohio River Business Association (COBRA), the first private freight association in the region. Together, their work ensures that the region continues to be the nation’s busiest inland port. To ensure the port’s economic prosperity, OKI and COBRA developed the Central Ohio River Information System (CORIS), which identifies key features of a port that may be of importance to potential site sectors, users, investors, elected officials, and industry members. The data contained within CORIS is the result of an intensive surveying process of all 142 public and private dock terminals and countless face-to-face visits made by COBRA members.

Transportation for America announces Adrea Turner will join as new director

After a nationwide search, Transportation for America announced the hiring of Adrea Turner as Director of Transportation for America, the signature transportation initiative of Smart Growth America.

Turner comes to T4America from the District Department of Transportation, where she served as the chief of staff under Director Leif Dormsjo in the diverse and growing city of Washington, DC. In that role she managed day-to-day and strategic operations of the 900-person department, a $600 million annual budget and a portfolio of highways, local streets, traffic signals, public space, parking assets and a growing city-owned public transportation system that includes bus, bikeshare, and streetcar programs.

Prior to her time at DDOT, Turner held senior positions at the Pew Charitable Trusts and in Maryland Governor Martin O'Malley’s administration, including time at the Maryland Department of Transportation where she focused on multimodal transportation solutions and transit-oriented development.

“Adrea has a unique depth of experience at the state and local level as well as an understanding how decisions at the federal level can affect people’s lives,” said Geoff Anderson, President and CEO of Smart Growth America. “Her expertise will help T4America continue to improve lives and communities through smart, locally-driven transportation investments.

“I am honored to join the T4America team and build on its track record for championing smart policy choices and targeted investment in infrastructure across the country,” said Turner. “Preserving and modernizing our aging infrastructure is a critical priority that transcends political and geographic divides. I’m eager to get started to ensure our transportation system is safer, stronger, healthier and more accessible to every community.”

Turner will replace James Corless, T4America’s first director since shortly after its launch in 2008. His work has helped T4America become a leading voice for smarter transportation investments at the federal, state and local levels.

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Transportation for America is an alliance of elected, business and civic leaders from communities across the country, united to ensure that states and the federal government step up to invest in smart, homegrown, locally-driven transportation solutions — because these are the investments that hold the key to our future economic prosperity.

Find this press release online: http://bit.ly/2mQymK3
Research News

2017 Infrastructure Report Card

The American Society of Civil Engineers (ASCE)
March 2017

For nearly 20 years, the American Society of Civil Engineers has been releasing its quadrennial Infrastructure Report Card. Its message is starting to take hold: public opinion surveys regularly show that Americans recognize the need to repair our nation’s aging and deteriorating infrastructure.

Yet we are still not investing in infrastructure to the level it requires and warrants as the backbone of our economy. Notably, public officials are talking about the need to improve our infrastructure more regularly, even making campaign promises. But they have yet to follow through in a grade-changing way. Failure to act to rebuild America’s infrastructure costs every American family $3,400 a year, and the cost and consequences to our economy are significant.

ASCE represents more than 150,000 civil engineers worldwide who are the stewards of infrastructure. We design, build, and maintain it. We are also natural problem solvers. That is why the Report Card not only defines the problems facing our nation’s infrastructure; it also offers solutions.

Find the full report here: http://bit.ly/2nMD7U7

Research News

Freight Intermodal Connectors Study

Federal Highway Administration
May 2017

The Federal Highway Administration (FHWA) released the final Freight Intermodal Connector Study on May 23, 2017. The study was conducted to provide a comprehensive understanding of the condition and performance of freight intermodal connectors on the National Highway System (NHS). It aimed to determine how freight intermodal connectors are currently being used by the industry, how their use is changing and what data and resources are currently available to address the performance of freight connectors.

The report noted that freight intermodal connectors make up less than one percent of total NHS mileage but are critical for the timely and reliable movement of freight.

Find the full report here: http://bit.ly/2qEqlWF
CAGTC & Freight in the News

CAGTC calls for federal investment in freight movement
Progressive Railroading
May 16, 2017

Goods Movement Coalition calls on lawmakers to highlight freight needs during Infrastructure Week
Logistics Management
May 16, 2017

Industry groups push for increased freight infrastructure spending
American Shipper
May 16, 2017
http://bit.ly/2q9sWaF

CAGTC Re-Elects Four Directors
American Journal of Transportation
May 19, 2017

Upcoming Events

**July 19-20, 2017:** 2017 ATA Economic Summit
Arlington, VA

**July 19-21, 2017:** AAPA, Port Security Seminar & Expo
Chicago, IL

**July 23-27, 2017:** PNWER Annual Summit
Portland, OR

**August 2-4, 2017:** Ohio Conference on Freight
Columbus, OH

**August 27-30, 2017:** ASCE International Conference on Highway Pavements and Airfield Technology
Philadelphia, PA
Why Join CAGTC?

Shape Policy
CAGTC Members have the opportunity to help shape policy and legislation with an organization that is known for getting results on the Hill. Membership gives you a seat at the table as our positions are vetted, debated, finalized and carried to the halls of Congress, where we then pull out the votes. All members are invited and encouraged to participate in our various policy and planning committees, which meet by phone, email and, occasionally, in person.

Timely Communication
CAGTC strives to keep our members well informed and keyed in on important national freight developments. Because our work focuses solely on goods movement issues, we are able to disseminate concise, lightning-quick updates. Our members often tell us that CAGTC delivers information quicker than any of their other DC connections!

Access
CAGTC holds one annual, in-person meeting every spring, with impressive member turn out. In addition to our annual meeting, we frequently hold member events, such as a Fly In to engage in pressing issues during the fall of 2015, and a policy discussion in Miami, Florida, in the spring of 2016 to drill down on implementation events. We regularly boast members of Congress, senior members of the Administration, and their staff among our CAGTC speakers and attendees.

Up to Date Information
In all our endeavors, the Coalition highlights its member organizations as examples of good projects and how the process should work. We do this in our regular meetings on the Hill, at conferences and during presentations and in our newsletter, which goes out every other month. Members have a spotlight for recent achievements, a sounding board of experts for advice, as well as an opportunity to network with likeminded organizations.

To learn more contact:
Katie Cross
Coalition for America’s Gateways and Trade Corridors
1444 Eye Street NW, Suite 1100
Washington, DC 20005
Tel: (202) 828-9100 | Fax: (202) 797-0020
Email: kcross@blakey-agnew.com

For more information about The Coalition for America’s Gateways and Trade Corridors or for newsletter submissions, please visit our website at www.tradecorridors.org or contact us at (202) 828-9100 or kcross@blakey-agnew.com